

**REDACTED – FOR PUBLIC INSPECTION**

June 27, 2016

**VIA ECFS**

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

RE: **REQUEST FOR CONFIDENTIAL TREATMENT**  
**WC Docket No. 14-58 - ETC Annual Reports and Certifications**

Request that Information Submitted to the Commission be Withheld from Public Inspection Pursuant to 47 C.F.R. §0.459 and 5 U.S.C. §552(b)(4): Five-Year Service Quality Improvement Plan Progress Report included in FCC Form 481

Confidential Information – Subject to Protective Order Before the Federal Communications Commission

Dear Ms. Dortch:

In accordance with the annual reporting requirements of 47 C.F.R. §§54.313 and 54.422, Scott County Telephone Company (the Company), Study Area Code 403031, is submitting a completed FCC Form 481 to the Commission via its Electronic Comment Filing System (ECFS) in WC Docket No. 14-58. *The version of the Company's FCC Form 481 submitted via ECFS is a redacted version of the filing that contains no confidential information.*

The Company, by its authorized representative, hereby requests confidential treatment of two attachments to its FCC Form 481: (1) the five-year service quality improvement plan progress report and (2) the financial annual report, both of which were redacted in the ECFS submission. The request for confidential treatment of the five-year plan progress report is being made pursuant to Section 0.459 of the Commission's rules and Exemption 4 of the Freedom of Information Act (FOIA). The request for confidential

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treatment of the financial annual report is being made pursuant to the FCC's March 22, 2016 *Protective Order* in WC Docket Nos. 10-90 and 14-58. These attachments contain competitively sensitive data that Scott County Telephone Company maintains as confidential and does not normally make available to the public. Release of this information would have a substantial negative impact on the Company.

**Five-Year Service Quality Improvement Plan Progress Report**

Pursuant to Section 0.459 of the Commission's rules and Exemption 4 of FOIA, Scott County Telephone Company requests that the text and data extracted from its five-year service quality improvement plan progress report be withheld from public inspection because it contains competitively sensitive commercial and financial information that the Company maintains as confidential. Public availability of this information would have a substantial negative impact on the Company.

In accordance with Section 0.459 of the Commission's rules, the following information is provided in support of this request:

(1) Identification of the specific information for which confidential treatment is sought:

Attachment to Line 112 of FCC Form 481 – Five-Year Service Quality Improvement Plan Progress Report. Specifically, confidential treatment is sought for all information in the five-year plan progress report related to the Company's access line counts, existing broadband capabilities, and current and planned financial investments in its network that will improve service quality, service coverage, and/or service capacity for its customers.

(2) Identification of the Commission proceeding in which the information was submitted or a description of the circumstances giving rise to the submission:

The information was submitted in WC Docket No. 14-58 as an attachment to FCC Form 481- the Carrier Annual Reporting Data Collection Form. Section 100 of FCC Form 481 requires incumbent local exchange carriers receiving high cost support to attach a progress report on its five-year service quality improvement plan, pursuant to 47 C.F.R. §54.313(a)(1).

(3) Explanation of the degree to which the information is commercial or financial, or contains a trade secret or is privileged:

The five-year service quality improvement plan progress report contains granular information on the Company's access line counts and/or existing broadband capabilities as well as recent and planned capital investments in its network to

improve service quality, service coverage, and/or service capacity. It also contains a map of the Company's service area detailing progress toward meeting broadband deployment targets at the wire center level. This is closely guarded, privileged information that the Company does not make publicly available.

- (4) Explanation of the degree to which the information concerns a service that is subject to competition:

Broadband is subject to increasing competition in the areas served by rural, rate-of-return incumbent local exchange carriers (RLECs). Virtually all RLECs face competition from one or more wireless Internet service providers. Most RLECs also face competition from at least one other wireline broadband provider, such as a larger cable company, who will typically seek to "cherry pick" the lower cost portions of the study area. In addition, all RLECs face competition throughout their territories from satellite broadband providers.

- (5) Explanation of how disclosure of the information could result in substantial competitive harm:

Disclosure of the information contained in the five-year plan progress report would provide competitors with detailed, granular information regarding the Company's access line count, its existing broadband capabilities, and its recent and planned network investments that improve service quality, coverage, and/or capacity for subscribers. This would give competitors valuable confidential information with which to develop their own strategies for investing in the service area, thereby bringing substantial competitive harm to the Company.

- (6) Identification of any measures taken by the submitting party to prevent unauthorized disclosure:

The Company has continually treated the extracted information in its five-year plan progress report as confidential and carefully controls the information to protect it from competitors. Access to the information is limited to employees that require it and to non-employees with confidentiality obligations such as lenders, consultants, auditors, and attorneys. In addition, when such information is required to be submitted to a state regulatory authority it has been filed as confidential information, not available to the public.

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Ms. Marlene Dortch

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- (7) Identification of whether the information is available to the public and the extent of any previous disclosure of the information to third parties:

The redacted information in the five-year plan progress report is not available to the public, and third-party access is limited as described in (6) above.

- (8) Justification of the period during which the submitting party asserts that material should not be available for public disclosure:

The Company requests that the extracted information be withheld from public inspection indefinitely. The information in the five-year plan progress report details the Company's most recent network upgrades in relation to its previously submitted service quality improvement plan. It may also contain upcoming planned network improvements during the five-year period ending 2019. This information would provide a very useful baseline for competitors for several years beyond that period.

- (9) Any other information that the party seeking confidential information treatment believes may be useful in assessing whether its request for confidentiality should be granted:

Exemption 4 of FOIA shields from public disclosure commercial or financial information obtained from a person that is privileged or confidential. Based on the responses provided above, the information in question satisfies this test.

**Financial Annual Report**

Section 3005 of FCC Form 481 requires a privately-held rate-of-return carrier receiving high cost support to attach a full and complete annual report of the company's financial condition and operations pursuant to 47 C.F.R. §54.313(f)(2). Scott County Telephone Company seeks confidential treatment of its financial annual report pursuant to the March 22, 2016 *Protective Order* in WC Docket Nos. 10-90 and 14-58.<sup>1</sup> The *Protective Order* specifically covers information filed pursuant to 47 C.F.R. §54.313(f)(2).

Scott County Telephone Company is providing to the Office of the Secretary, under seal, this cover letter and the Form 481 filing which includes the confidential information that is being requested to be withheld from public inspection.

Each page of the five-year service quality improvement plan progress report confidential submission bears the legend, "CONFIDENTIAL – NOT FOR PUBLIC DISCLOSURE."

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<sup>1</sup> *Connect America Fund, ETC Annual Reports and Certifications*, WC Docket Nos. 10-90 and 14-58, Protective Order, DA 16-296 (rel. Mar. 22, 2016).

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Ms. Marlene Dortch

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Each page of the financial annual report confidential submission bears the legend, "CONFIDENTIAL INFORMATION – SUBJECT TO PROTECTIVE ORDER BEFORE THE FEDERAL COMMUNICATIONS COMMISSION."

The confidential information has also been submitted to the Universal Service Administrative Company through its E-File system as attachments to the FCC Form 481.

In the filing submitted via ECFS, all pages containing confidential information bear the legend "REDACTED – FOR PUBLIC INSPECTION."

This cover letter includes no confidential information and the text is the same in both the non-redacted and redacted versions except for the confidentiality markings.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Dorothy Young", written in a cursive style.

Dorothy Young  
Authorized Representative for  
Scott County Telephone Company

DY/pjf

Enclosures

cc: Ms. Karen Gilliam, Scott County Telephone Company

**FCC Form 481 - Carrier Annual Reporting  
Data Collection Form**FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	403031
<015>	Study Area Name	SCOTT COUNTY TEL CO
<020>	Program Year	2017
<030>	Contact Name: Person USAC should contact with questions about this data	Karen Gilliam
<035>	Contact Telephone Number: Number of the person identified in data line <030>	4174399778 ext.
<039>	Contact Email Address: Email of the person identified in data line <030>	karen@scotttel.com
	Form Type	54.313 and 54.422

<b>(100) Service Quality Improvement Reporting Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	403031
<015> Study Area Name	SCOTT COUNTY TEL CO
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Karen Gilliam
<035> Contact Telephone Number - Number of person identified in data line <030>	4174399778 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	karen@scotttel.com

<110> Has your company received its ETC certification from the FCC?	(yes / no) <input type="radio"/> <input checked="" type="radio"/>
If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 year plan" filed with the FCC?	(yes / no) <input type="radio"/> <input type="radio"/>

If your answer to Line <111> is yes, please file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

- <112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

403031ar112.pdf

Name of Attached Document

Please select the appropriate responses below (Yes, No, Not Applicable) to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to §54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

- <113> Maps detailing progress towards meeting plan targets
- <114> Report how much universal service (USF) support was received
- <115> How much (USF) was used to improve service quality and how support was used to improve service quality
- <116> How much (USF) was used to improve service coverage and how support was used to improve service coverage
- <117> How much (USF) was used to improve service capacity and how support was used to improve service capacity
- <118> Provide an explanation of network improvement targets not met in the prior calendar year.

Yes
Yes
Yes
Yes
Yes
Yes

<010>	Study Area Code	403031
<015>	Study Area Name	SCOTT COUNTY TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Karen Gilliam
<035>	Contact Telephone Number - Number of person identified in data line <030>	4174399778 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	karen@scotttel.com

<210> For the prior calendar year, were there any reportable voice service outages? No

[illegible]



**(300) Unfulfilled Service Request  
Data Collection Form**FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010> Study Area Code	403031
<015> Study Area Name	SCOTT COUNTY TEL CO
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Karen Gilliam
<035> Contact Telephone Number - Number of person identified in data line <030>	4174399778 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	karen@scotttel.com
<300> Unfulfilled service request (voice)	<div>0</div>
<310> Detail on attempts (voice)	<div>Name of Attached Document</div>
<320> Unfulfilled service request (broadband)	<div>0</div>
<330> Detail on attempts (broadband)	<div>Name of Attached Document</div>

(400) Number of Complaints per 1,000 customers Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	403031
<015>	Study Area Name	SCOTT COUNTY TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Karen Gilliam
<035>	Contact Telephone Number - Number of person identified in data line <030>	4174399778 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	karen@scotttel.com
<400>	Select from the drop-down list to indicate how you would like to report voice complaints (zero or greater) for voice telephony service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	Offered only fixed voice
<410>	Complaints per 1000 customers for fixed voice	0 . 0
<420>	Complaints per 1000 customers for mobile voice	
<430>	Select from the drop-down list to indicate how you would like to report end-user customer complaints (zero or greater) for broadband service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	Offered only fixed broadband
<440>	Complaints per 1000 customers for fixed broadband	0 . 0
<450>	Complaints per 1000 customers for mobile broadband	

**(500) Compliance With Service Quality Standards and Consumer Protection Rules**  
**Data Collection Form**

FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

<010>	Study Area Code	403031
<015>	Study Area Name	SCOTT COUNTY TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Karen Gilliam
<035>	Contact Telephone Number - Number of person identified in data line <030>	4174399778 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	karen@scotttel.com
<500>	Certify compliance with applicable service quality standards and consumer protection rules	Yes
<510>	Descriptive document for Service Quality Standards & Consumer Protection Rules Compliance	403031ar510.pdf

**(600) Functionality in Emergency Situations**  
**Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	403031
<015>	Study Area Name	SCOTT COUNTY TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Karen Gilliam
<035>	Contact Telephone Number - Number of person identified in data line <030>	4174399778 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	karen@scotttel.com
<600>	Certify compliance regarding ability to function in emergency situations	Yes
<610>	Descriptive document for Functionality in Emergency Situations	403031ar610.pdf

[illegible]

<010>	Study Area Code	403031
<015>	Study Area Name	SCOTT COUNTY TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Karen Gilliam
<035>	Contact Telephone Number - Number of person identified in data line <030>	41743199778 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	karen@scotttel.com

[illegible]

[illegible]

**(900) Tribal Lands Reporting  
Data Collection Form**FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	403031
<015>	Study Area Name	SCOTT COUNTY TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Karen Gilliam
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<039>	Contact Email Address - Email Address of person identified in data line <030>	karen@scotttel.com

&lt;900&gt; Does the filing entity offer tribal land services? (Y/N) No

&lt;910&gt; Tribal Land(s) on which ETC Serves

&lt;920&gt; Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes,No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select Yes or No or Not Applicable



**(1000) Voice and Broadband Service Rate Comparability  
Data Collection Form**

 FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

<010>	Study Area Code	403031
<015>	Study Area Name	SCOTT COUNTY TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Karen Gilliam
<035>	Contact Telephone Number - Number of person identified in data line <030>	4174399778 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	karen@scotttel.com

<1000> Voice services rate comparability certification Yes

<1010> Attach detailed description for voice services rate comparability compliance 403031ar1010.pdf

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 Name of Attached Document

<1020> Broadband comparability certification Not Applicable

<1030> Attach detailed description for broadband comparability compliance

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 Name of Attached Document

<b>(1100) No Terrestrial Backhaul Reporting Data Collection Form</b>		FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	403031
<015>	Study Area Name	SCOTT COUNTY TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Karen Gilliam
<035>	Contact Telephone Number - Number of person identified in data line <030>	4174399778 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	karen@scotttel.com

<1100> Certify whether terrestrial backhaul options exist (Y/N)

Yes

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

<b>(1200) Terms and Condition for Lifeline Customers</b> <b>Lifeline</b> <b>Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	403031
<015>	Study Area Name	SCOTT COUNTY TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Karen Gilliam
<035>	Contact Telephone Number - Number of person identified in data line <030>	4174399778 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	karen@scotttel.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

Name of Attached Document

<1220> Link to Public Website

HTTP

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

<1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,	<input checked="" type="checkbox"/>
<1222> Details on the number of minutes provided as part of the plan,	<input checked="" type="checkbox"/>
<1223> Additional charges for toll calls, and rates for each such plan.	<input checked="" type="checkbox"/>

<b>(2000) Price Cap Carrier Additional Documentation</b> <b>Data Collection Form</b> <i>Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers</i>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	403031
<015> Study Area Name	SCOTT COUNTY TEL CO
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Karen Gilliam
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<039> Contact Email Address - Email Address of person identified in data line <030>	karen@scotttel.com

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

**Incremental Connect America Phase I reporting**

<2010> 2nd Year Certification 47 CFR § 54.313(b)(1)(i) - Note that for the July 1 2016 certification, this applies to Round 2 recipients of Incremental Support	<input style="width: 100px; height: 20px;" type="text"/>	
<2011> 3rd Year Certification 47 CFR § 54.313(b)(1)(ii) - Note that for the July 1 2016 certification, this applies to Round 1 recipients of Incremental Support	<input style="width: 100px; height: 20px;" type="text"/>	
<2022> Recipient certifies, representing year two after filing a notice of acceptance of funding pursuant to 54.312(c), that the locations in question are not receiving support under the Broadband Initiatives Program or the Broadband Technology Opportunities Program for projects that will provide broadband with speeds of at least 4 Mbps/1Mbps - 54.313(b)(2)(i). Round 2 recipients only.	<input style="width: 100px; height: 20px;" type="text"/>	
<2023> The attachment on line 2024 includes a statement of the total amount of capital funding expended in the previous year in meeting Connect America Phase I deployment obligations, accompanied by a list of census blocks indicating where funding was spent. This covers year two - 54.313(b)(2)(ii). Round 2 recipients only.	<input style="width: 100px; height: 20px;" type="text"/>	
<2024A> Round 2 Recipient of Incremental Support?	<input style="width: 100px; height: 20px;" type="text"/>	
<2024B> Attach list of census blocks indicating where funding was spent in year two - 54.313(b)(2)(ii). Round 2 recipients only.	Name of Attached Document Listing Required Information	<input style="width: 100px; height: 20px;" type="text"/>
<2025A> Round 1 or Round 2 Recipient of Incremental Support?	Name of Attached Document Listing Required Information	<input style="width: 100px; height: 20px;" type="text"/>
<2025B> Attach geocoded Information for Phase I milestone reports (Round 1 for year three and Round 2 for year two) - Connect America Fund , WC Docket 10-90, Report and Order, FCC 13-	Name of Attached Document Listing Required Information	<input style="width: 100px; height: 20px;" type="text"/>
<2015> 2016 and future Frozen Support Certification 47 CFR § 54.313(c)(4)		<input style="width: 100px; height: 20px;" type="text"/>

**(2000) Price Cap Carrier Additional Documentation (Continued)**

FCC Form 481

**Data Collection Form**

OMB Control No. 3060-0986/OMB Control No. 3060-0819

*Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers*

July 2013

**Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}**

&lt;2016&gt; Certification support used to build broadband

**Connect America Phase II Reporting {47 CFR § 54.313(e)}**

&lt;2017A&gt; Connect America Fund Phase II recipient?

&lt;2017B&gt; Attach information for Phase II - 54.313(e)(1) - list of geocoded locations already meeting the 54.309 public interest obligations at the end of calendar year 2015 and total amount of Phase II support, if any, the price

Name of Attached Document Listing  
Required Information

&lt;2018&gt; Attach the number, names, and addresses of community anchor institutions to which the carrier newly began providing access to broadband service in the preceding calendar year - 54.313(e)(2)(ii)

Name of Attached Document Listing  
Required Information

&lt;2019&gt; Recipient certifies that it bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries located within any area in a census block where the carrier is receiving Phase II model-based support, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings - 54.313(e)(2)(v)

&lt;2020&gt; Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 40% of its supported locations in the state on December 31, 2017 - 54.313(e)(3)

&lt;2021&gt; Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 60% of its supported locations in the state on December 31, 2018 - 54.313(e)(4)

&lt;2026&gt; Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 80% of its supported locations in the state on December 31, 2019 - 54.313(e)(5)

&lt;2027&gt; Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 100% of its supported locations in the state on December 31, 2020 - 54.313(e)(6)

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<039>	Contact Email Address - Email Address of person identified in data line <030>	karen@scotttel.com

Complete the items below to note compliance with five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

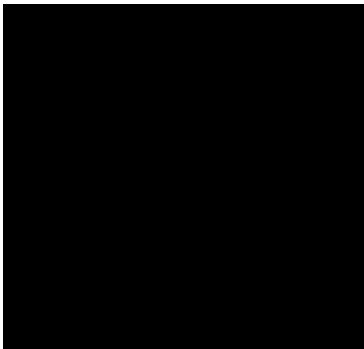
(3009)	Progress Report on 5 Year Plan Carrier certifies to 54.313(f)(1)(iii)		
(3010A)	Milestone Certification {47 CFR § 54.313(f)(1)(i)}	No - Attach Explanation	
(3010B)	Please Provide Attachment	Name of Attached Document Listing Required Information	403031ar3010.pdf
(3012A)	Community Anchor Institutions {47 CFR § 54.313(f)(1)(iii)}	No - No New Community Anchors	
(3012B)	Please Provide Attachment	Name of Attached Document Listing Required Information	
(3013)	Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)}	(Yes/No)	<input checked="" type="radio"/> <input type="radio"/>
(3014)	If yes, does your company file the RUS annual report	(Yes/No)	<input type="radio"/> <input checked="" type="radio"/>
Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:			
(3015)	Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)		<input type="checkbox"/>
(3016)	Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3017)	If the response is yes on line 3014, attach your company's RUS annual report and all required documentation	Name of Attached Document Listing Required Information	
(3018)	If the response is no on line 3014, is your company audited?	(Yes/No)	<input checked="" type="radio"/> <input type="radio"/>
If the response is yes on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:			
(3019)	Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers		<input checked="" type="checkbox"/>
(3020)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows		<input checked="" type="checkbox"/>
(3021)	Management letter and/or audit opinion issued by the independent certified public accountant that performed the company's financial audit.		<input checked="" type="checkbox"/>
If the response is no on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:			
(3022)	Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers		<input type="checkbox"/>
(3023)	Underlying information subjected to a review by an independent certified public accountant		<input type="checkbox"/>
(3024)	Underlying information subjected to an officer certification.		<input type="checkbox"/>
(3025)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3026)	Attach the worksheet listing required information	Name of Attached Document Listing Required Information	403031ar3026.pdf

<b>(3005) Rate Of Return Carrier Additional Documentation (Continued)</b>		FCC Form 481
<b>Data Collection Form</b>		OMB Control No. 3060-0986/OMB Control No. 3060-0819
		July 2013

<010>	Study Area Code	403031
<015>	Study Area Name	SCOTT COUNTY TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Karen Gilliam
<035>	Contact Telephone Number - Number of person identified in data line <030>	4174399778 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	karen@scotttel.com

**Financial Data Summary**

- (3027) Revenue
- (3028) Operating Expenses
- (3029) Net Income
- (3030) Telephone Plant In Service(TPIS)
- (3031) Total Assets
- (3032) Total Debt
- (3033) Total Equity
- (3034) Dividends



<010>	Study Area Code	403031
<015>	Study Area Name	SCOTT COUNTY TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Karen Gilliam
<035>	Contact Telephone Number - Number of person identified in data line <030>	4174399778 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	karen@scotttel.com

**4005 Rural Broadband Experiment**

Authorized Rural Broadband Experiment (RBE) recipients must address the certification for public interest obligations, provide a list of newly served community anchor institutions, and provide a list of locations where broadband has been deployed.

**Public Interest Obligations – FCC 14-98 (paragraphs 26-29, 78)**

Please address Line 4001 regarding compliance with the Commission's public interest obligations. All RBE participants must provide a response to Line 4001.

**4001.** Recipient certifies that it is offering broadband to the identified locations meeting the requisite public interest obligations consistent with the category for which they were selected, including broadband speed, latency, usage capacity, and rates that are reasonably comparable to rates for comparable offerings in urban areas?

**Community Anchor Institutions – FCC 14-98 (paragraph 79)**

**4003a.** RBE participants must provide the number, names, and addresses of community anchor institutions to which they newly deployed broadband service in the preceding calendar year. On this line, please respond (yes – attach new community anchors, no – no new anchors) to indicate whether this list will be provided.

**If yes to 4003A, please provide a response for 4003B.**

**4003b.** Provide the number, names and addresses of community anchor institutions to which the recipient newly began providing access to broadband service in the preceding calendar year.

Name of Attached Document Listing Required Information

**Broadband Deployment Locations – FCC 14-98 (paragraph 80)**

**4004a.** Attach a list of geocoded locations to which broadband has been deployed as of the June 1st immediately preceding the July 1st filing deadline for the FCC Form 481.

Name of Attached Document Listing Required Information

**4004b.** Attach evidence demonstrating that the recipient is meeting the relevant public service obligations for the identified locations. Materials must at least detail the pricing, offered broadband speed and data usage allowances available in the relevant geographic area.

Name of Attached Document Listing Required Information



<b>Certification - Reporting Carrier Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
---	--

<010>	Study Area Code	403031
<015>	Study Area Name	SCOTT COUNTY TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Karen Gilliam
<035>	Contact Telephone Number - Number of person identified in data line <030>	4174399778 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	karen@scotttel.com

**TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:**

<b>Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients</b>	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

**Certification - Agent / Carrier  
Data Collection Form**

 FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

<010> Study Area Code	403031
<015> Study Area Name	SCOTT COUNTY TEL CO
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Karen Gilliam
<035> Contact Telephone Number - Number of person identified in data line <030>	4174399778 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	karen@scotttel.com

**TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:**

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) <u>Moss Adams, LLP</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	<u>Moss Adams, LLP</u>
Name of Reporting Carrier:	<u>SCOTT COUNTY TEL CO</u>
Signature of Authorized Officer:	<u>CERTIFIED ONLINE</u> Date: <u>06/27/2016</u>
Printed name of Authorized Officer:	<u>Karen Gilliam</u>
Title or position of Authorized Officer:	<u>General Manager</u>
Telephone number of Authorized Officer:	<u>4799234200 ext.</u>
Study Area Code of Reporting Carrier:	<u>403031</u> Filing Due Date for this form: <u>07/01/2016</u>
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

**TO BE COMPLETED BY THE AUTHORIZED AGENT:**

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier:	<u>SCOTT COUNTY TEL CO</u>
Name of Authorized Agent Firm:	<u>Moss Adams, LLP</u>
Signature of Authorized Agent or Employee of Agent:	<u>CERTIFIED ONLINE</u> Date: <u>06/27/2016</u>
Name of Authorized Agent Employee:	<u>Dorothy Young</u>
Title or position of Authorized Agent or Employee of Agent	<u>Telecommunications Consulting Manager</u>
Telephone number of Authorized Agent or Employee of Agent:	<u>5126527726 ext.</u>
Study Area Code of Reporting Carrier:	<u>403031</u> Filing Due Date for this form: <u>07/01/2016</u>
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

## Attachments

(700) Price Offerings including Voice Rate Data Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	403031
<015>	Study Area Name	SCOTT COUNTY TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Karen Gilliam
<035>	Contact Telephone Number - Number of person identified in data line <030>	4174399778 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	karen@scotttel.com

<701>	Residential Local Service Charge Effective Date	1/1/2016
<702>	Single State-wide Residential Local Service Charge	30.0

[illegible]

<b>(710) Broadband Price Offerings</b> <b>Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	403031
<015>	Study Area Name	SCOTT COUNTY TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Karen Gilliam
<035>	Contact Telephone Number - Number of person identified in data line <030>	4174399778 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	karen@scotttel.com

[illegible]

**LINE 112 – FIVE-YEAR SERVICE QUALITY IMPROVEMENT PLAN  
PROGRESS REPORT**

[REDACTED]

The Company received \$163,344 in Universal Service Fund (“USF”) support in calendar year 2015.

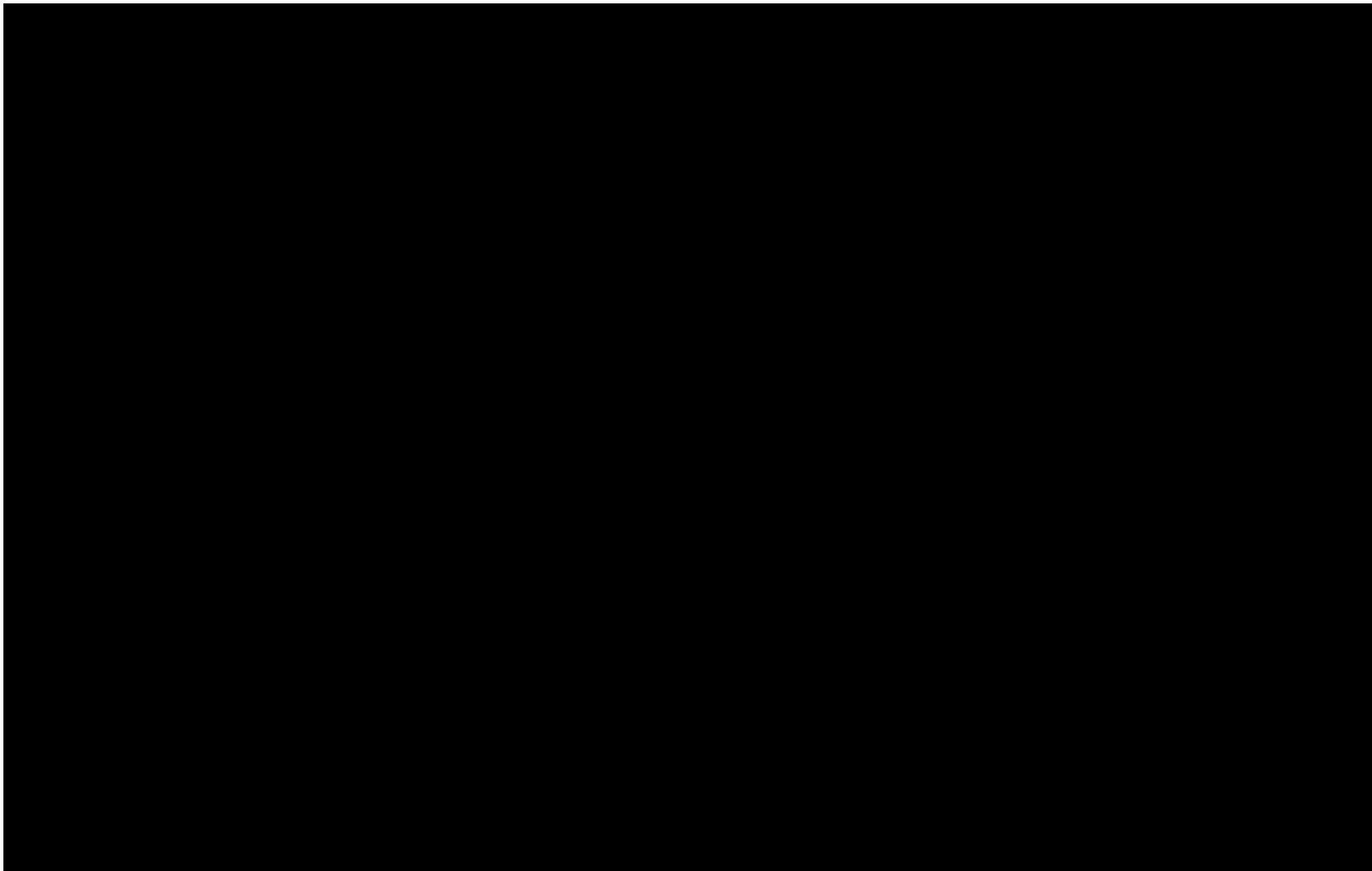
[REDACTED]

*Service Quality Improvement Plan Progress Report*

Exchange	Description of Improvement	2015 Forecast	2015 Actual
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[REDACTED]			
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[REDACTED]



**SCOTT COUNTY TELEPHONE COMPANY, L.L.C.**

**FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2015 and 2014**  
**with**

**INDEPENDENT AUDITOR'S OPINION**



**Scott County Telephone Company, L.L.C.**  
**Financial Statements**  
**Years Ended December 31, 2015 and 2014**

**CONTENTS**

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Audited Financial Statements

    Balance Sheets .....6

    Statements of Income and Members' Equity .....8

    Statements of Cash Flows.....9

    Notes to Financial Statements .....11

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors and Members  
Scott County Telephone Company, L.L.C.  
Lake Hinkle, Arkansas

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Scott County Telephone Company, LLC which comprise the balance sheets as of December 31, 2015 and 2014, and the related statements of income and members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Scott County Telephone Company, LLC as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Hood & Associates, CPAs, P.C.*

Hood & Associates, CPAs, P.C.  
Certified Public Accountants

Tulsa, Oklahoma  
February 11, 2016



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE WITH  
LAWS AND REGULATIONS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited the financial statements of Scott County Telephone Company, LLC as of and for the year ended December 31, 2015 and December 31, 2014, and have issued our report thereon dated February 11, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Scott County Telephone Company, LLC internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and to not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Scott County Telephone Company, LLC financial statements are free of material misstatement, we performed tests of the compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the governing body, management and other audit agencies and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Hood & Associates, CPAs, P.C.*

**Scott County Telephone Company, L.L.C.**  
**Balance Sheets**  
**December 31, 2015 and 2014**

**ASSETS**

	<u>2015</u>	<u>2014</u>
<b>Current Assets:</b>		
Cash - General Fund		
Accounts Receivable - Telephone Subscribers (less allowance for doubtful accounts of \$11,244)		
Other Accounts Receivable ( <i>Note 2</i> )		
Prepaid Expenses		
<b>Non-current Assets:</b>		
Note receivable - Affiliate ( <i>Note 3</i> )		
Accounts Receivable - Officers		
Deferred Loan Costs		
Other Assets		
<b>Property, Plant and Equipment (<i>Note 4</i>):</b>		
Telecommunications Plant in Service		
Less Accumulated Depreciation		
<b>TOTAL ASSETS</b>		

The accompanying notes are an integral part of these financial statements

**Scott County Telephone Company, L.L.C.**  
**Balance Sheets**  
**December 31, 2015 and 2014**

**LIABILITIES AND MEMBERS' EQUITY**

	<u>2015</u>	<u>2014</u>
<b>Current Liabilities:</b>		
Accounts Payable		
Current Maturities of Long Term Debt		
Other Accrued Liabilities		
 <b>Long Term Liabilities (Note 6):</b>		
RUS Notes Payable		
Other Long-Term Debt		
 Less Current Maturities		
 <b>Members' Equity:</b>		
Members' Equity		
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>		

The accompanying notes are an integral part of these financial statements

**Scott County Telephone Company, L.L.C.**  
**Statements of Income and Members' Equity**  
**For the Years Ended December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>Operating Revenues:</b>		
Basic Local Network Service		
Network Access Services		
Long Distance Network Services		
Miscellaneous		
<b>Operating Expenses:</b>		
Plant Specific Operations		
Plant Non-specific Operations		
Depreciation and amortization		
Customer Operations		
Corporate Operations		
<b>Operating Taxes:</b>		
Other Operating Taxes		
<b>Operating Income</b>		
<b>Fixed Charges:</b>		
Interest on Long Term Debt		
<b>Non-regulated Income (Expense):</b>		
Interest and Dividend Income		
Non-regulated Income (Loss) (Net)		
<b>Net Income</b>		
Members' Equity, beginning of year		
Members' Equity, end of year		

The accompanying notes are an integral part of these financial statements

**Scott County Telephone Company, L.L.C.**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>Cash Flows from Operating Activities</b>		
Cash Received from Customers		
Interest and Dividends Received		
Cash Paid to Suppliers and Employees		
Interest Paid		
Net Cash Provided by (Used in) Operating Activities		
<b>Cash Flows from Investing Activities</b>		
Purchase of Fixed Assets		
<b>Cash Flows from Financing Activities</b>		
Principal Payments on Long-term Debt		
Net Cash Provided by (Used In) Financing Activities		
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>		
<b>Cash and Cash Equivalents at Beginning Of Year</b>		
<b>Cash and Cash Equivalents at End Of Year</b>		

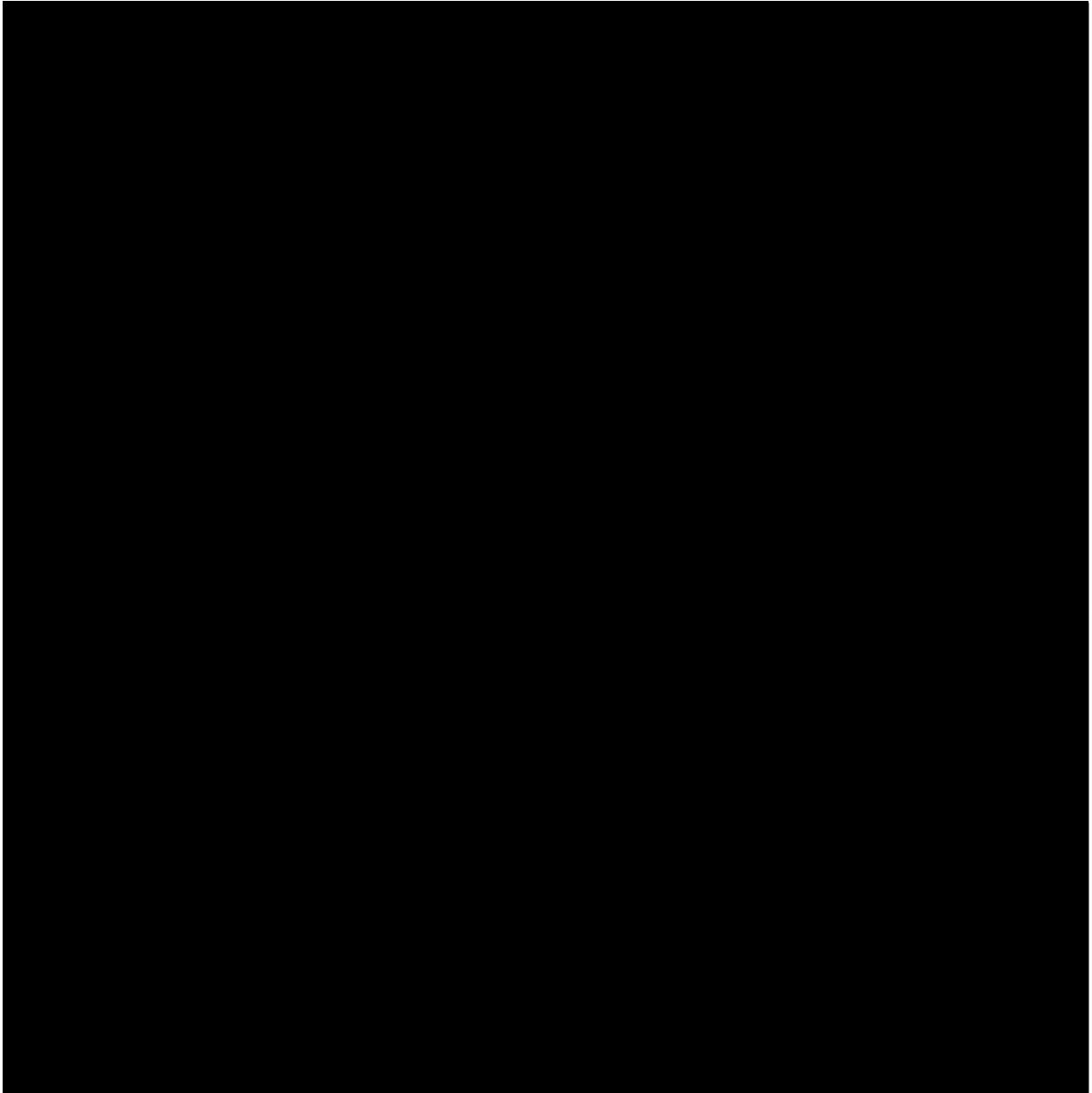


**Scott County Telephone Company, L.L.C.**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>Reconciliation of Net Income to</b>		
<b>Cash Provided By (Used In) Operating Activities</b>		
Net income (loss)		
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation		
Amortization of debt issue costs		
(Increase) decrease in accounts receivable		
(Increase) decrease in prepaid assets		
Increase (decrease) in accounts payable		
Increase (decrease) in other accrued liabilities		
Total Adjustments		
Net Cash Provided by (Used in) Operating Activities		

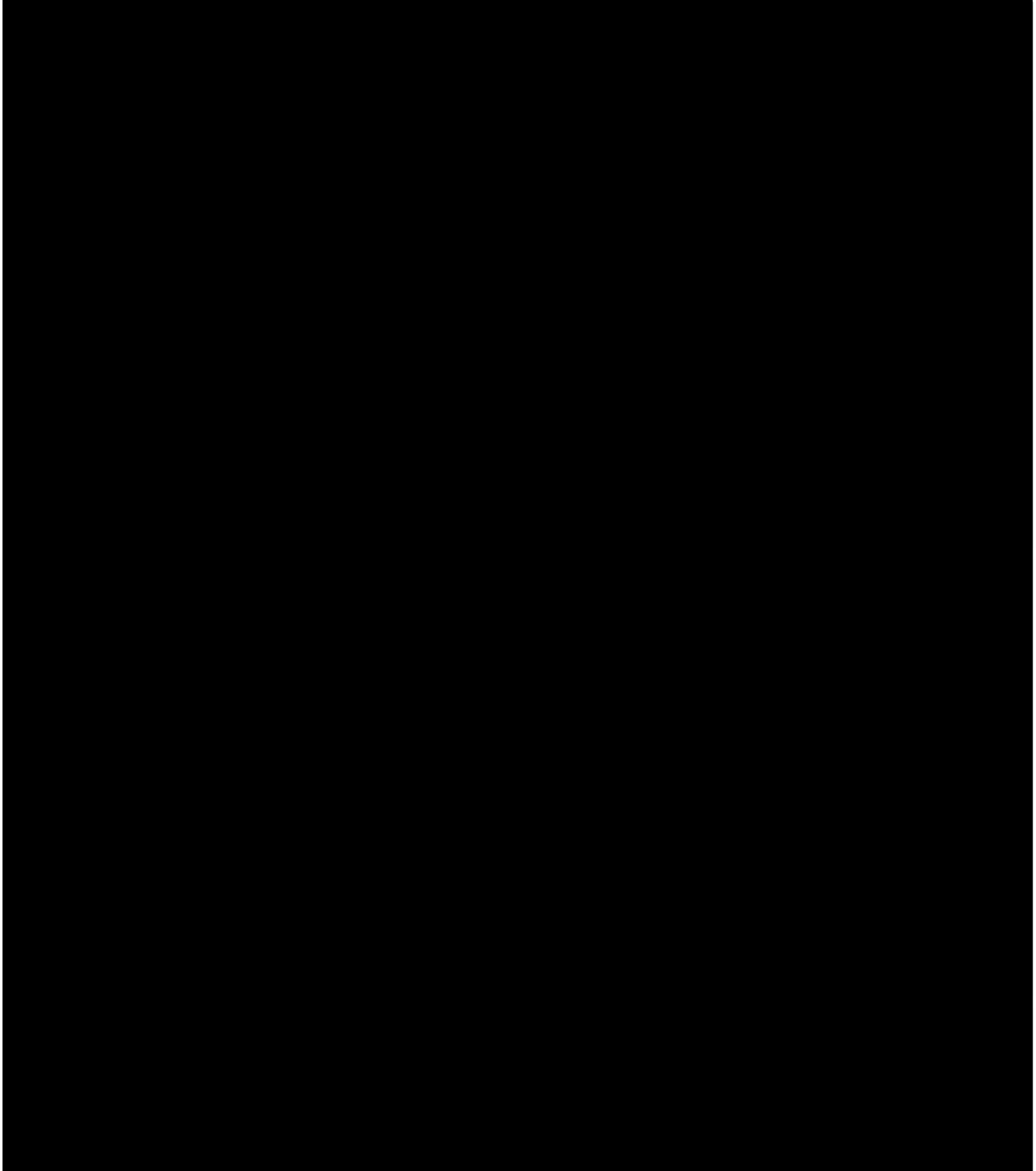
SCOTT COUNTY TELEPHONE COMPANY, L.L.C  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

**Note 1 - Summary of Significant Accounting Policies**



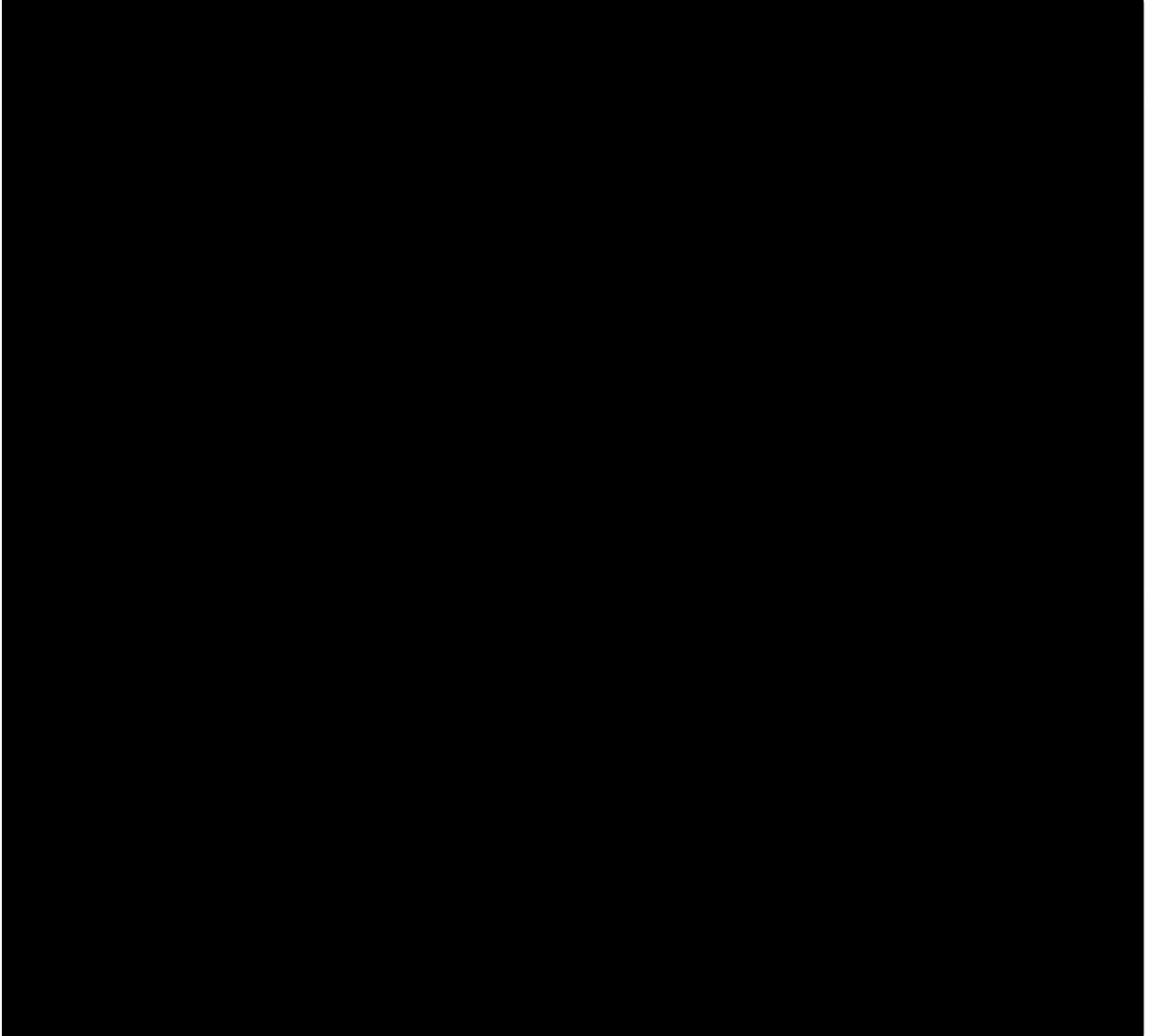
SCOTT COUNTY TELEPHONE COMPANY, L.L.C  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

**Note 1 - Summary of Significant Accounting Policies (continued)**

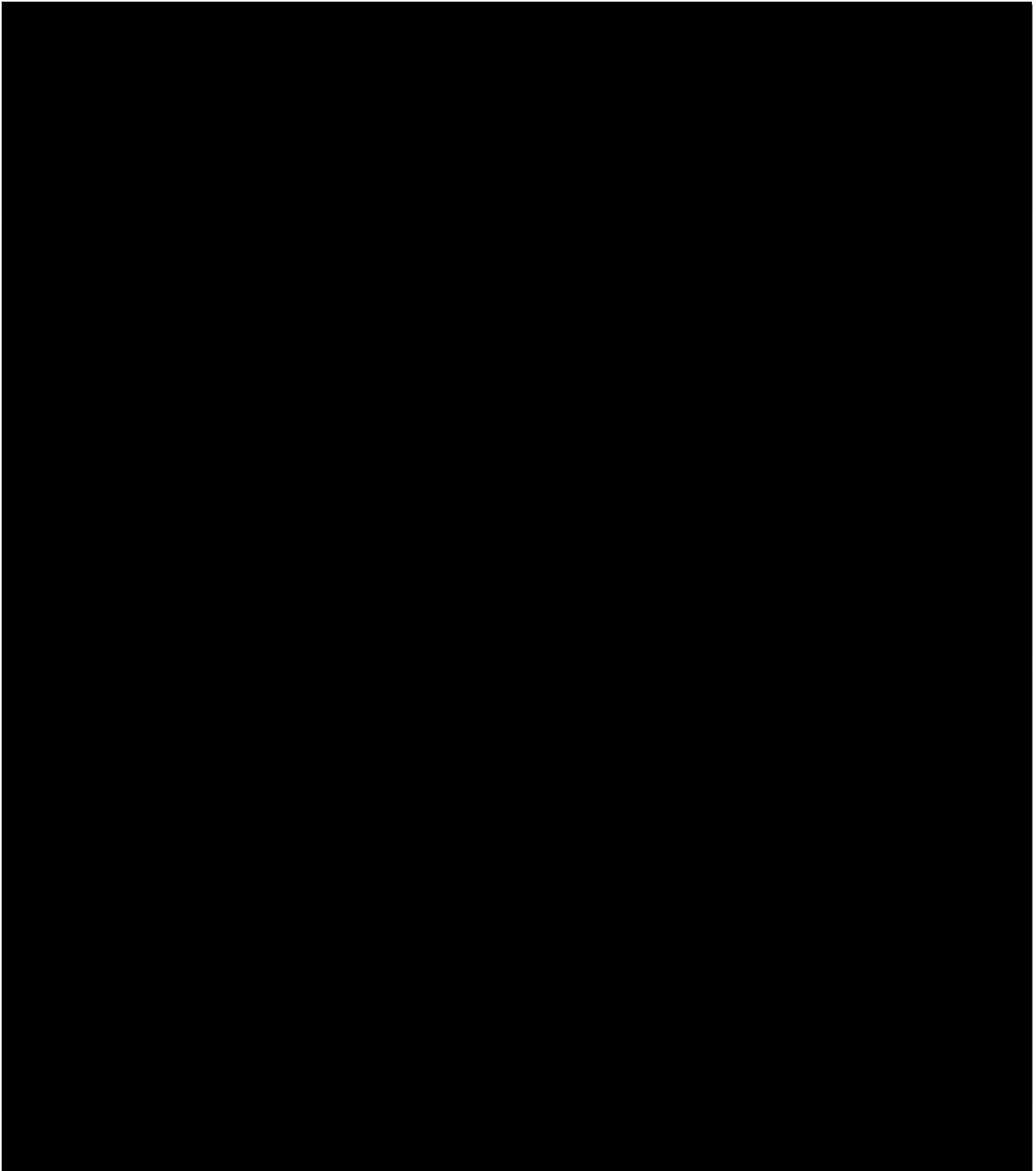


SCOTT COUNTY TELEPHONE COMPANY, L.L.C  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

**Note 1 – Summary of Significant Accounting Policies (continued)**



**Note 1 – Summary of Significant Accounting Policies (continued)**



SCOTT COUNTY TELEPHONE COMPANY, L.L.C  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

**Note 1 – Summary of Significant Accounting Policies (continued)**

[REDACTED]

**Note 2 - Other Accounts Receivable**

[REDACTED]

	<u>2015</u>	<u>2014</u>
National Exchange Carriers Association	[REDACTED]	
Arkansas State Toll Pools		
Arkansas Universal Services Fund		
Inter-exchange carriers/other		

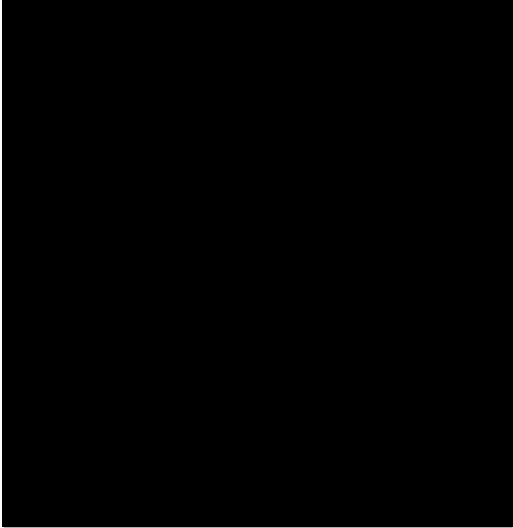
**Note 3 – Note Receivable from Affiliate**

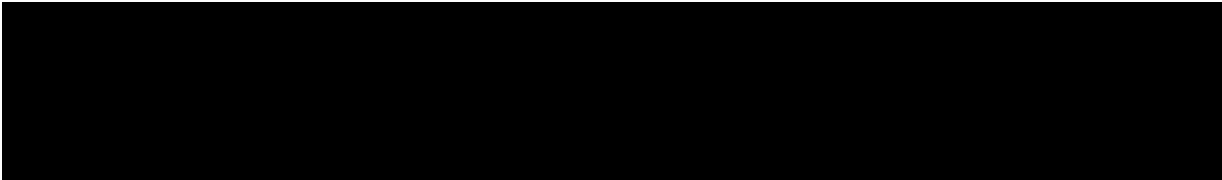
[REDACTED]

SCOTT COUNTY TELEPHONE COMPANY, L.L.C  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

**Note 4 - Property, Plant and Equipment**

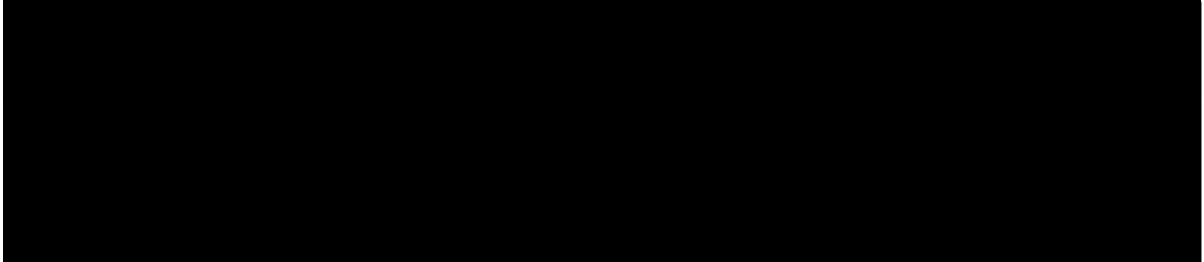
Listed below are the major classes of telecommunications plant at December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Land		
Vehicles		
Other Work Equipment		
Buildings		
Furniture		
Office Support/Company Communication		
Digital Central Office Equipment		
Portable generators		
Circuit Equipment Carrier		
Buried Cable		
Plant Under Construction		

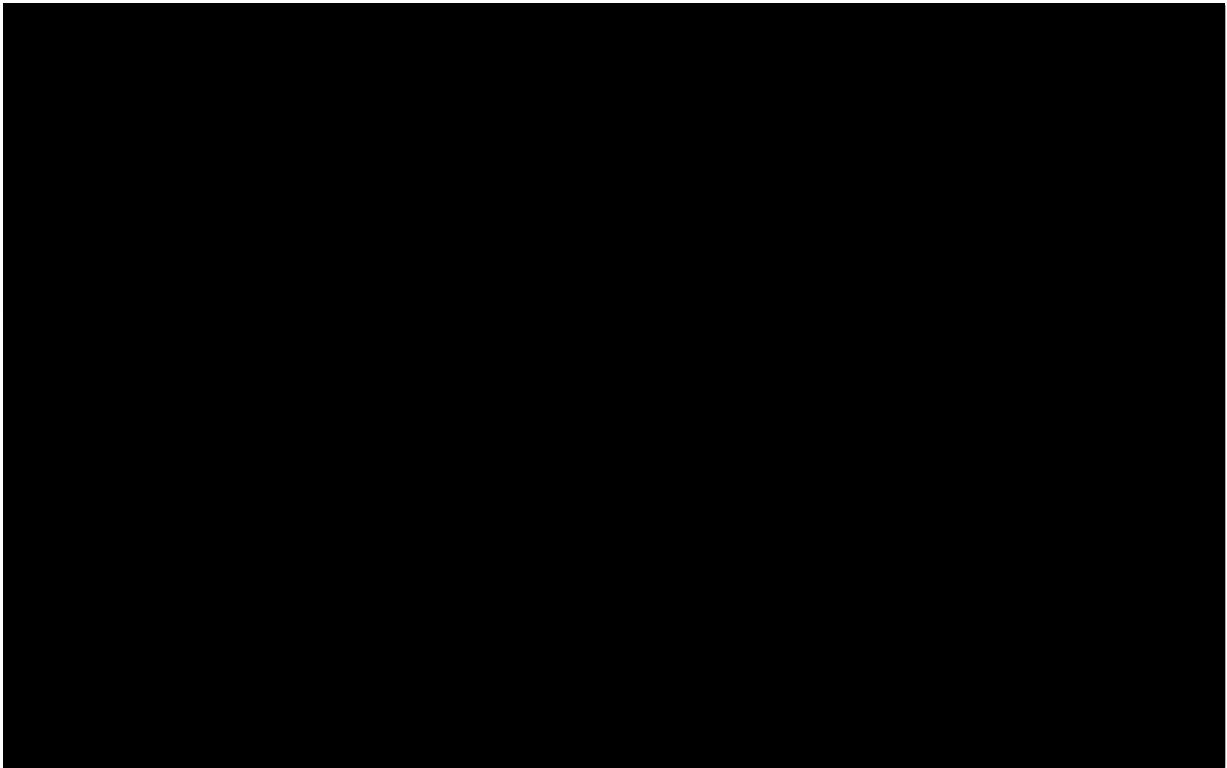


SCOTT COUNTY TELEPHONE COMPANY, L.L.C  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

**Note 5 - Related Party Transactions**



**Note 6 - Financial Instruments**



**Note 7 - Other**

